

**Fiscal Services Division**  
**Legislative Services Agency**  
**Fiscal Note**

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SF 2352 – Veterans Definition (LSB 6483 SV)

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Fiscal Note Version – New

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**Description**

Senate File 2352 expands the statutory definition of “veteran” to include certain injured military personnel and military personnel with service dates outside the current timeframes provided in Iowa law. The expanded definition will make additional Iowa residents eligible for veteran’s benefits, veteran’s preferences, and the Military Service Property Tax Exemption.

**Assumptions**

1. The Department of Veteran’s Affairs estimates a maximum of 64,000 former military personnel could benefit from the expanded definition. This fiscal note assumes 3,000 will benefit in FY 2009 and 26,000 will benefit in FY 2010 and future years.
2. The Military Service Property Tax Exemption excludes \$1,852 in taxable value per veteran exemption and the average tax rate is assumed to be \$34.10 per thousand. A State appropriation reimburses local governments \$6.92 per thousand for each exemption. This translates to an average property tax payment reduction of \$63.15, with \$12.82 paid through the State appropriation and \$50.33 paid through a reduction in local government tax revenue.
3. The additional exemptions will first impact property taxes due and payable during FY 2009.
4. The General Assembly will fully fund the \$6.92 per thousand State reimbursements in FY 2009 and future fiscal years.
5. Expanding the definition of veteran will increase the number of Iowans eligible to receive veteran’s assistance benefits through county government.

**Fiscal Impact**

Expanding the definition of veteran will increase the number of Military Service Property Tax Exemptions claimed and increase the State Military Service Tax Exemption appropriation by an estimated \$38,000 for FY 2009 and \$333,000 for FY 2010 and future fiscal years.

The change will also reduce local government revenue by an estimated \$151,000 in FY 2009 and \$1.3 million for FY 2010 and future fiscal years.

County government veteran expenditures will also be impacted by as much as \$845,000 per year. However, the Iowa State Association of Counties reports that many counties currently provide services to all honorably discharged veterans, not just those specified currently in statute. To the extent this is the case, the actual impact could be substantially lower.

The Bill may contain an unfunded State mandate as defined in Section 25B.2, Code of Iowa. The Bill provides that Section 25B.2 does not apply to this Bill.

**Sources**

Department of Veteran’s Affairs  
Iowa State Association of Counties  
Iowa Department of Revenue

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/s/ Holly M. Lyons

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The fiscal note and correctional impact statement for this bill was prepared pursuant to Joint Rule 17 and pursuant to Section 2.56, Code of Iowa. Data used in developing this fiscal note and correctional impact statement are available from the Fiscal Services Division, Legislative Services Agency to members of the Legislature upon request.

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